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ABSTRACT

This Kids Count special report examines the relationship between poverty status and the number of children in Arkansas lacking health insurance. The report also presents information on two programs providing health care to Arkansas children whose parents lack insurance coverage, Medicaid and ARKids First. The report describes how these two programs are administered and presents statistics on the number of Arkansas children served by the two programs. The report further defines the categories of Arkansas Medicaid and delineates federal poverty guidelines and program income thresholds for Arkansas health programs. The report notes that 21 percent of Arkansas children are without health insurance. The percentage of children without insurance varies by poverty level. Approximately 35 percent of Arkansas's children are served by the Medicaid program. More than 50,000 children had been enrolled in the ARKids First program by February 2000. (KB)

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SPECIAL REPORT

UNINSURED CHILDREN IN ARKANSAS

PS 028729

Arkansas Advocates for Children & Families

July 2000

Funding provided by the Annie E. Casey Foundation under its national Kids Count project.

Arkansas kids count

Key Findings:

Of Arkansas' 732,000 children under age 19:

- 21% (155,000) of children are without health insurance
- This means 1 in 5 children is without health insurance
- Children of all ages are about equally likely to be uninsured.

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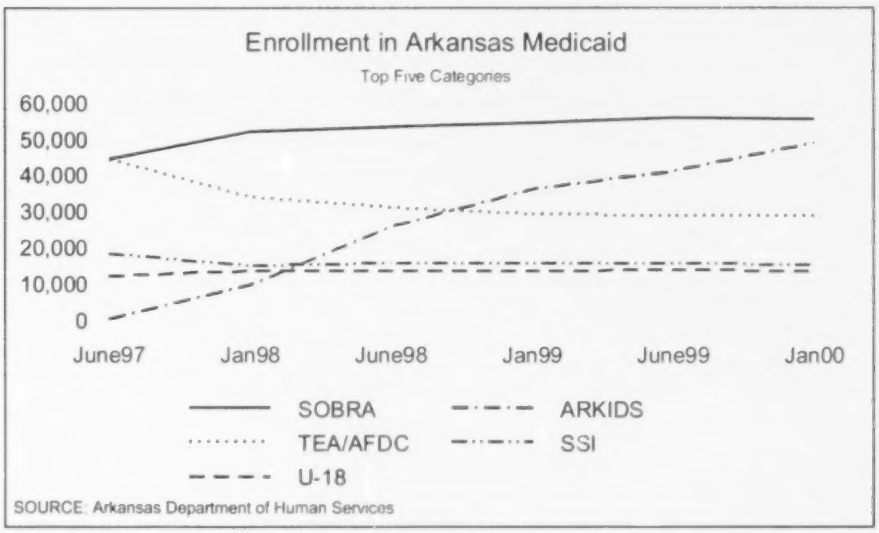
Examining Growth in Medicaid and ARKids First

Investing in the health of our children is a necessary investment in our future. Regular access to health care supports healthy growth and development in numerous ways. Children are more likely to maintain a schedule of immunizations; developmental delays are more likely to be diagnosed and monitored; and childhood illnesses are less likely to have deadly consequences.

This early relationship with the health care system also fosters the belief that routine health care is a vital component of a healthy lifestyle. Unfortunately, too many children are not accessing the benefits that health insurance coverage provides. Approximately 120,000 of these children reside in Arkansas.

Two monumental programs provide health care to Arkansas children whose parents lack insurance coverage - Medicaid and ARKids First. Medicaid was established in 1965 as America's public financing program for providing health and long-term care coverage to low-income people. It is a means-tested entitlement financed by state and federal funds.



SOURCE: Arkansas Department of Human Services

ARKids First is a state-sponsored Medicaid expansion program that serves children through age 18 with family incomes up to 200 percent of the federal poverty level. This program provides primary-care coverage to children in working families with slightly fewer benefits than Medicaid and a small copayment of $5-$10 for most services. The legislation was signed into law in March 1997 and the program began enrolling children in September 1997. In order to qualify for the program, the family must meet income guidelines, and the child must have lacked comprehensive coverage for the previous six months.

The Health Care Financing Administration (HCFA) administers the Medicaid program for the federal government. Arkansas' Medicaid program is administered by the Medical Services Division of the Department of Human Services. The federal government matches the state's share at an approved rate between 50 percent and 90 percent. Arkansas funds approximately 27 percent of its program-related costs, while the federal government's share is approximately 73 percent. Administrative costs for the program are generally divided 50/50 between state and federal funds.

As the largest health insurer in the country, Medicaid covers 41.3 million people nationwide and 454,000 in Arkansas. Eighteen percent of Arkansas' population was served by Medicaid in SFY 1999. This number included 64,784 elderly (age 65+); 128,287 adults (ages 20-64); and 258,126 children (under age 19). Approximately 35 percent of Arkansas' children are served by the Medicaid program. Children are enrolled in Medicaid in one of 11 categories:

- SSI
- TEA/AFDC
- AABD
- SOBRA
- U-18
- MN
- FOSTER
- REFUGEE
- QMB
- FAM PLAN
- ARKIDS
- TEFRA

From mid-1997 to February of this year, enrollment in Medicaid has steadily increased from 130,605 to 185,828. The most notable increases can be found in the SOBRA (up 11,785) and MN (up 2,934) categories. The categories of FAM PLAN and ARKIDS began enrolling in September 1997 and have steadily increased since that time. However, significant declines in several categories have occurred because of changes in government guidelines and regulations. Enrollment has declined by 3,000 in the SSI category and by 14,600 in the TEA/AFDC category.

A primary goal of ARKids First is to enroll between 80,000 and 90,000 children by 2001. Enrollment has grown from 151 children in September 1997 to more than 50,000 children in February 2000. The median age for children served by ARKids is 8 years, 3 months.

Sources

Arkansas Department of Human Services, Division of Medical Services, Program Overview SFY99

Kaiser Commission on Medicaid and the Uninsured, 1998, The Henry J. Kaiser Foundation.

Categories of Arkansas Medicaid

SSI - Supplemental Security Income	Eligibility is limited to persons age 65 or over and blind or disabled adults and children. The Social Security Administration determines SSI eligibility.
TEA/AFDC - Transitional Employment Assistance/Aid to Families with Dependent Children	Eligibility is limited to low-income families and children whose net income and countable resources do not exceed the AFDC income and resource limits which were in effect on July 16, 1996, and if the children are deprived of the support of one or both parents.
AABD - Aid to the Aged, Blind, and Disabled	Eligibility is limited to persons age 65 or over; those with visual acuity of 20/200 or less or limited visual field of 20 degrees or less, even with correction; those who are unable to engage in substantial work activity for at least 12 months; a condition resulting in death; or for a child under 18 with an impairment of comparable severity.
SOBRA - Sixth Omnibus Budget Reconciliation Act of 1986	Eligibility is limited to pregnant women, infants, and children born after Sept. 30, 1982.
U-18 - Under 18	Eligibility is limited to children under 18 years of age who are financially needy according to the AFDC income and resource requirements.
MN - Medically Needy	Intended to provide medical services for categorically related individuals or families whose income and/or resources exceeds the limits for cash assistance but are insufficient to provide medical care.
FOSTER - Foster Care	Eligibility is limited to children younger than age 21 who are in foster care.
REFUGEE - Refugee Resettlement Program	Eligibility is limited to persons who receive refugee status and limited to 8 months of coverage.
QMB - Qualified Medicare Beneficiary	Eligibility is limited to the aged (65+), blind, or disabled for the cost-sharing of Medicare services.
FAM PLAN - Family Planning	Eligibility is limited to women of childbearing age (14 - 44) who are not eligible for any other Medicaid category and who are at risk for unintended pregnancy.
ARKIDS - ARKids First	Eligibility is limited to children under age 19 who are at or below 200% of the federal poverty level.
TEFRA	TEFRA is for disabled children under 19 who live at home and are ineligible for SSI due to parents' income and assets, but would be eligible for SSI if the child was institutionalized. Under this category, only the child's income is compared to the 300% of the SSI standard (currently $1,536), and the child's assets are under $2,000. The child must also medical necessity, cost effectiveness and appropriateness of care.

2000 Federal Poverty Guidelines and Key Arkansas Health Program Thresholds

Poverty Guideline	Program	1 person	2 people	3 people	4 people	5 people	6 people	Each additional person
100%	Medicaid	$8,350	$11,250	$14,150	$17,050	$19,950	$22,850	$2,900
Up to 200%	ARKids First	$16,700	$22,500	$28,300	$34,100	$39,900	$45,700	$5,800

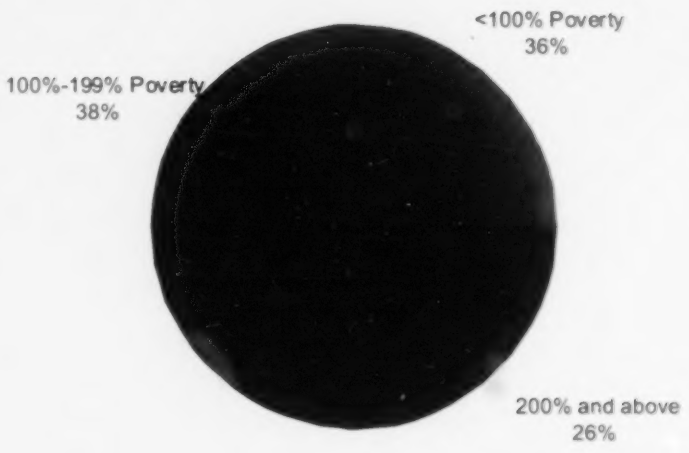
NOTE: The income limit for children under 6 to receive Medicaid is 133% of the federal poverty level.

Poverty Status

The rate of uninsured children in Arkansas varies by family income level. Of Arkansas' 155,000 uninsured children:

- 55,000 (36%) live in families with annual incomes below 100% of the federal poverty level, which is less than $17,050 for a family of four
- 59,000 (38%) live in families with annual incomes between 100% and 199% of the federal poverty level, which is between $17,050 and $34,100 for a family of four
- 41,000 (26%) live in families with annual incomes 200% and above the federal poverty level, which is $34,100 or higher for a family of four

Uninsured Children by Poverty Status

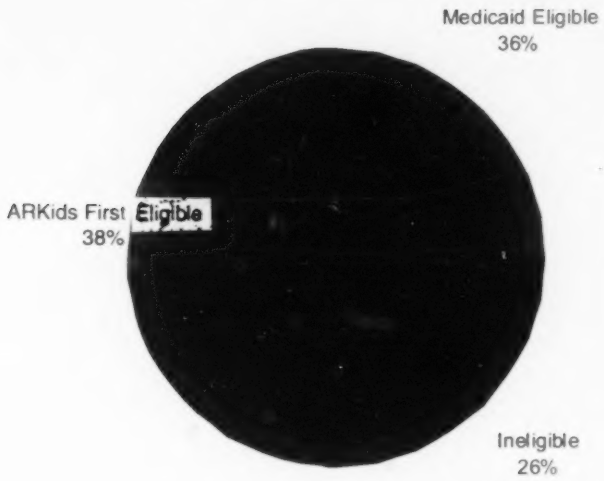


For Arkansas' 732,000 children under age 19:

Arkansas Children by Insured Status within Poverty Groups

- Among those below poverty level, 55,000 (**1 in 3** or 34%) are without health insurance
- Among those between 100% and 199% of poverty, 59,000 (**1 in 4** or 26%) are without health insurance
- Among those 200% and above poverty, 41,000 (**1 in 8** or 12%) are without health insurance

Program Eligibility for Uninsured Children in Arkansas



Of Arkansas' uninsured children:

- 1/3 (55,000) of children are eligible for Medicaid, but may not be currently enrolled
- Another 26% (59,000) of children are estimated to be eligible for coverage under Arkansas' Medicaid expansion program, ARKids First
- The remaining 41,000 children without health insurance are not eligible for coverage under Medicaid or ARKids First, and are most likely in families earning more than 200% of poverty
- Of the 155,000 children who are uninsured, 36% are Medicaid eligible; 38% are ARKids First eligible; and 26% are ineligible for state and federal programs

Of the 732,000 children in Arkansas, 156,000 (21%) are without health insurance.

Uninsured Children by Age

- 42,000 (19%) of children ages 0-5 are without health insurance
- 114,000 (22%) of children ages 6-18 are without health insurance

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DATA SOURCE

The numbers found in this special report are from the Census Bureau's Current Population Survey, a five-year average from 1995-1999. These figures reflect coverage during the calendar years of 1994-1998 and do not take into account the most recent enrollment in Medicaid and ARKids First. The unweighted sample size for Arkansas was 683 from 1995-1999. Tabulations were calculated by the Annie E. Casey Foundation.

FOR MORE INFORMATION

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